

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7024

BILL NUMBER: SB 359

NOTE PREPARED: Jan 5, 2004

BILL AMENDED:

SUBJECT: Moratorium on Comprehensive Care Beds and Hospitals.

FIRST AUTHOR: Sen. Miller

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
☒ **FEDERAL**

IMPACT: State

Summary of Legislation: This bill imposes a moratorium on the construction or addition of: (1) comprehensive care beds; (2) ambulatory outpatient surgical centers; and (3) hospitals; through June 30, 2006. The bill exempts continuing care retirement communities and health facilities under specified circumstances from the moratorium on comprehensive care beds. It makes certain exceptions to the moratorium on hospitals.

Effective Date: July 1, 2004.

Explanation of State Expenditures: The State Department of Health reported that the administration of a moratorium on the construction or addition of beds or facilities could be accomplished within the existing budget parameters. The bill also prohibits the Indiana Health Facilities Council from certifying new or converted comprehensive care beds for participation in the Medicaid or Medicare reimbursement programs through June 30, 2006, with certain exceptions. The Department would likely hold applications for new licenses and Medicaid or Medicare certifications for affected facilities until the expiration of the moratorium on June 30, 2006.

Explanation of State Revenues: Depending on the number of applications held, fee revenues would not be collected for any new beds or facilities during the two-year moratorium. A nursing facility pays a \$200 fee for the first 50 additional beds and \$10.00 for each bed in excess of 50. Hospital license fees range from \$1,000 to \$5,000. The Department does not currently charge a license fee for ambulatory surgical centers, although a rule is being promulgated. This bill does not affect the renewal of existing licenses.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Indiana Department of Health and the Family and Social Services Administration, Office of Medicaid Policy and Planning.

Local Agencies Affected:

Information Sources: Zach Cattell, Legislative Liaison for the State Department of Health, 317-233-2170.

Fiscal Analyst: Kathy Norris, 317-234-1360.